GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1902
ANSWERED ON:03.08.2001
MANAGEMENT OF EPF/PPF FUND
VINAY KUMAR SORAKE

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to entrust the management of EPF/PPF funds to professional fund managers;

(b) if so, whether the Government will insist that a major portion of funds to be invested in Government securities at treasury rates and only a minor part in rated corporate instruments; (

(c) If so, with the experience gained from the present UTI crisis, whether the Government will discourage publicfunds investment in equity or stock market linked instruments; and

(d) If so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a),(b), (c) & (d) : With effect from 1.4.1995, the Central Board of Trustees, EPF hasappointed State Bank of India to act as the portfolio manager for investment of funds. The investment of funds are carried out as per the `Investment Pattern` notified by the Government of India from time to time. A copy of the Investment Pattern, notified by the Government of India, to befollowed by the non-Government Provident Funds, Superannuation Funds and Gratuity Funds is at Annex .

PPF Scheme, 1968, is a Government of India scheme, which has been devised under the provisions of the Public Provident Fund Act, 1968. The receipts under this scheme accrue to the Public Account of India and the disbursements are also debited to the corresponding head in the Public Account. There is no proposal to entrust the management of PPF scheme to professional fund managers.